



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Conduct a Public Hearing to Consider the Reallocation of Available Urban County Community Development Block Grant and HOME Program Funding

MEETING DATE: October 7, 2009

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Conduct a Public Hearing to consider the reallocation of available Urban County Community Development Block Grant (CDBG) and HOME Program funding.

BACKGROUND INFORMATION: The City of Lodi separated from the Urban County and now receives Federal CDBG Program funds directly from the **U.S.** Department of Housing and Urban Development (HUD). There is a balance of both CDBG and HOME Program funds through previous Urban County allocations that need to be spent. As those projects and activities funded through the Urban County are completed, the balance of unused and available funding need to be reallocated to projects that can use the funds by June 30, 2010.

In accordance with the direction given by the City Manager and in support of the policy established by the City Council to maintain a 60/40 split of funding between the City and community-based organizations (CBO's), reallocated funding from City projects/programs will only be directed to City projects. Likewise, funding from community-based organization's projects/services will only be directed to CBO projects.

The one exception to that is in the reallocation of Elm Street Demolition project funds. Funding from two, completed CBO projects were reallocated to the City's Elm Street Demolition project to make up the supplemental allocation. Those funds are now being separated and made available back to a CBO project.

The following funding balances have been identified as available for reallocation to eligible projects.

CDBG Program Funding

| | | |
|--------------------------|--------------------------------------|--------------------|
| <u>Project LOD 08-03</u> | <u>Elm Street Demolition Project</u> | <u>\$53,859.09</u> |
|--------------------------|--------------------------------------|--------------------|

In 2008, \$95,000 was allocated to this project. During subsequent meetings and review of the demolition project, Staff felt the proposed demolition would require additional funding. As other CDBG projects were completed and funding became available, we administratively reallocated funding from six completed projects for a supplemental reallocation total of \$53,859.09. That provided a total of \$148,859.09 for the demolition project.

APPROVED:

Blair King, City Manager

Now that the project has been bid, it is clear that supplemental funding is not necessary. Therefore, we recommend the reallocation of supplemental funding of \$53,859.09. Once the demolition project is completed, the balance of the original allocation can later be reallocated to supplement one or more of the new projects approved at this meeting.

| | | |
|-------------------|--------------------------------------|-------------|
| Project LOD 08-11 | Graffiti Abatement – Public Property | \$22,858.64 |
|-------------------|--------------------------------------|-------------|

With all graffiti abatement activities completed and accounted for in the 2008/09 Program Year, these funds remain and are being made available for reallocation. Graffiti Abatement in the 2009/10 is funded through our Entitlement CDBG allocation from HUD.

| | | |
|-------------------|---------------------------------------|-------------|
| Project LOD 08-12 | Graffiti Abatement – Private Property | \$52,500.00 |
|-------------------|---------------------------------------|-------------|

For 2008, it was initially required that graffiti abatement be broken into two different allocations, as activities on private property were qualified differently than on public property. A change in the County's interpretation on how graffiti abatement on private property is qualified, however, left us unable to use the funding. Therefore, the funding is now being made available for reallocation to a City project.

This issue has been addressed in our current year by qualifying all graffiti abatement as a public service, rather than as a rehab activity.

| | | |
|-------------------|---------------------------|-------------|
| Project LOD 08-19 | Elm Street Handicap Ramps | \$23,524.00 |
|-------------------|---------------------------|-------------|

During the allocation process for 2009 Entitlement funds, we also addressed the reallocation of available Urban County CDBG funding to new projects. One of them was the West Elm Street Handicap Ramp Replacement Project that will reconfigure the handicap parking spaces on the 100 block of West Elm Street, adjacent to the downtown movie theater. During that same allocation process, we addressed the allocation of the CDBG-Reinvest (CDBG-R) funding that had been designated for Lodi. As the City Council authorized the majority of our CDBG-R allocation to the Lodi Community Center project, there was a remainder that the Council specifically wanted to go to a local infrastructure project that fit the CDBG-R requirements.

Staff has identified this West Elm Street project as the best recipient of those CDBG-R funds. The combined CDBG and CDBG-R allocations provide a total \$53,524.00 for the project, which has an Engineer's Estimate of \$30,000. We thereby recommend that the balance of \$23,524 be reallocated.

New City Projects

From the aforementioned CDBG funding, we have \$127,683.67 available to reallocate now to City projects. Staff believes that there could be another \$80,000 - \$100,000 available to reprogram from other completed projects within the next three to four months. After meeting with both the Parks & Recreation and Public Works Directors, staff has identified the following eligible projects that can utilize the City's allocation of CDBG funds by June 2010.

- Eastside Alley Drainage Improvement
 - Similar to the project that was approved for the 2009 Entitlement Program, funds would be used for the reconstruction of an Eastside alley to provide adequate storm water drainage and an overall improved alley surface.
- Handicap Ramp Replacement
 - This would continue the long-standing practice of providing handicap ramps at crucial intersections in the Eastside Target Area and other select locations around public facilities.

New CBO Project

From the aforementioned CDBG funding, we have \$25,058.06 available to reallocate to a CBO project. Staff has identified the following eligible project that can utilize the CBO allocation of CDBG funds by June 2010.

- Salvation Army Hope Harbor Shelter Roof Replacement Project
 - The Salvation Army had requested funding for this project during the 2009 application process and while it was deemed a worthy project, there was not sufficient funding to go around. The Salvation Army has estimated that they will need at least \$75,000 to complete this project. In addition to the funding that they are requesting from Lodi, they have secured commitments for funding from both San Joaquin County (\$18,000) and the City of Stockton (\$16,500), as they have been able to demonstrate that a percentage of their clientele are from those jurisdictions. The Salvation Army has also secured a \$1000 energy rebate from our Electric Utility Department for the proposed use of a foam roofing material.

HOME Program Funding

| | |
|-----------------------------------|---------------------|
| <u>Housing Rehab Loan Program</u> | <u>\$230,666.64</u> |
|-----------------------------------|---------------------|

There is currently no demand for our Owner-Occupied Housing Rehabilitation Loan Program and therefore we need to reprogram those funds to where they can be used in a more timely manner. At the same time, we have identified the following opportunity with our Neighborhood Stabilization Program (NSP) developer for the development of affordable housing that will create two, new single-family dwellings on what is now a vacant parcel.

New Affordable Housing Project

Service First of Northern California, the local non-profit affordable housing developer that was selected by San Joaquin County to implement our NSP funding, has identified a vacant parcel at the corner of South Garfield Street and East Oak Street as a potential site for development of two affordable housing units.

The vacant corner parcel would be split into two lots and new single-family dwellings would be built on each. This mirrors an identical development that Service First is doing on the adjacent property to the east, where they have acquired a vacant, foreclosed property using NSP funding. They intend to split that property into two parcels as well in order to construct two single-family dwellings.

The HOME funds in this instance would be used for the acquisition of the corner parcel, as well as some pre-development costs once the property has been purchased.

Funding Recommendations

Staff recommends the reallocation of the available \$127,683.67 in CDBG funding for City projects as follows:

- Eastside Alley Drainage Improvement Project (\$107,000.00)
- Handicap Ramp Replacement (\$20,683.67)

Staff recommends the reallocation of the available \$25,058.06 in CDBG funding for CBO projects as follows:

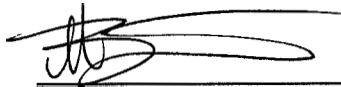
- Salvation Army Hope Harbor Shelter Roof Replacement Project (\$25,058.06)

Staff recommends the reallocation of the available \$230,666.64 in HOME Program funding as follows:

- Service First of Northern California – Site acquisition and pre-development costs for the project site at 500 E. Oak Street, Lodi, CA.

FISCAL IMPACT: Project delivery costs (design, printing, advertising, labor standards review, etc.) are incorporated into the project allocations.

FUNDING AVAILABLE: Urban County CDBG Program Funding



Konradt Bartlam
Community Development Director

KB/jw

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE REALLOCATION OF AVAILABLE URBAN COUNTY COMMUNITY
DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDING

WHEREAS, a total of \$152,741.73 in Urban County Community Development Block Grant (CDBG) funds are available for reallocation from the following projects:

| | | |
|-----------|---------------------------------------|-------------|
| LOD 08-03 | Elm Street Demolition Project | \$53,859.09 |
| LOD 08-11 | Graffiti Abatement – Public Property | \$22,858.64 |
| LOD 08-12 | Graffiti Abatement – Private Property | \$52,500.00 |
| LOD 08-19 | Elm Street Handicap Ramps | \$23,524.00 |

;and

WHEREAS, a total of \$230,666.64 in Urban County HOME Program funding is available from the Housing Rehabilitation Program account; and

WHEREAS, the City of Lodi is attempting to reprogram all available Urban County CDBG and HOME Program funding to projects that can expend the funds by June 30, 2010, in order to close out the City's balance of funding with San Joaquin County.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the reallocation of Urban County CDBG and HOME Program funds from the aforementioned project accounts to the following projects:

CDBG Program Funding

| | | |
|-----------------------------|--------------------------------------|--------------|
| • City of Lodi Public Works | Alley Drainage Improvement Project | \$107,000.00 |
| • City of Lodi Public Works | Handicap Ramp Replacement Project | \$ 6,183.67 |
| • Salvation Army-Lodi | Hope Harbor Shelter Roof Replacement | \$ 39,558.06 |

HOME Program Funding

| | | |
|--|---|--------------|
| • Service First of Northern California, Inc. | Site Acquisition/Pre-development Affordable Housing - 500 E. Oak | \$230,666.64 |
|--|---|--------------|

Dated: October 7, 2009


I hereby certify that Resolution 2009-134 was passed and adopted by the Lodi City Council in a regular meeting held on October 7, 2009, by the following vote:

AYES: COUNCIL MEMBERS – Katzakian, Mounce, and Mayor Hansen

NOES: COUNCIL MEMBERS – Johnson

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

Reallocation of Urban County CDBG & HOME Program Funding

**Presented by
Community Development Department**

October 2009

Urban County Reallocations

- **Goal of Expending Remaining Balance of Urban County CDBG Funds by June 2010.**
 - **Reallocation Process**
 - **Follow Council Policy of Maintaining City Project Funding Separate From Community Project Funding**
 - **Correcting Previous Reallocation of CBO funds to City Project**
 - **Maintaining Urban County Limit on Public Services.**
-

Urban County Reallocations

- **4 Sources for Reallocated CDBG Funding**
 - **08-03 - Elm Street Demolition Project \$53,859.09**
 - \$25,058.06 of that supplemental allocation came from CBO projects.
 - **08-11 – Graffiti Abatement/Public \$22,858.64**
 - **08-12 – Graffiti Abatement/Private \$52,500.00**
 - **08-19 – Elm Street Handicap Ramps \$23,524.00**
-

Urban County Reallocations

- **Total CDBG Reallocation \$152,741.73**
 - \$127,683.67 for City Projects
 - \$25,058.06 for CBO Projects
 - **Next Round of Reallocations – 3-4 months**
 - \$80,000 - \$100,000 for City Projects.
-

Urban County Reallocations

- **New CDBG Projects**
 - **City Projects**
 - Eastside Alley Drainage Improvements
 - Handicap Ramp Replacements
 - **CBO Projects**
 - Salvation Army Roof Replacement
-

Urban County Reallocations

- **HOME Program Funding**
 - **Housing Rehabilitation Program**
 - Program Dormant
 - No Increase in Activity Predicted
 - **Balance of \$230,666.64 Available**

 - **New HOME Funded Projects**
 - **Service First of Northern California**
 - **Neighborhood Stabilization Program (NSP)**
Developer Assigned to Lodi
-

Urban County Reallocations

■ Service First Proposal

- ❑ Currently developing property at 502 E. Oak Street as part of NSP.
 - 2 new Single-Family Dwellings
 - ❑ Adjacent vacant lot at Oak/Garfield potential for affordable housing development.
 - 2 additional new Single-Family Dwellings
 - ❑ HOME Funds needed for property acquisition and predevelopment costs.
-

Urban County Reallocations

- **City Manager's Funding Recommendations**
 - **CDBG**
 - Eastside Alley Drainage Improvements - \$107,000.00
 - Handicap Ramp Replacements - \$20,683.67
 - Salvation Army Roof Replacement - \$25,058.06
 - **HOME**
 - Service First of Northern California - \$230,666.64
-

Urban County Reallocations

- **Council Comments/Questions**
- **Public Hearing**



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT PUBLIC HEARING TO CONSIDER REALLOCATION OF AVAILABLE
URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT AND
HOME PROGRAM FUNDING

PUBLISH DATE: SATURDAY, SEPTEMBER 19, 2009
SATURDAY, SEPTEMBER 26, 2009


LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: RANDI JOHL, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, SEPTEMBER 17, 2009

ORDERED BY RANDI JOHL
CITY CLERK


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Faxed to the Sentinel at 369-1084 at _____ (time) on _____ (date) _____ (pages)
LNS _____ Phoned to confirm receipt of all pages at _____ (time) _____ JMR _____ CF _____ MB (initials)



DECLARATION OF POSTING

PUBLIC HEARING TO CONSIDER REALLOCATION OF AVAILABLE URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDING

On Friday, September 18, 2009, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider reallocation of available Urban County Community Development Block Grant and HOME Program funding (attached and marked as Exhibit A) **was** posted at the following locations:


Lodi Public Library
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 18, 2009, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**


**JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK**

**MARIA BECERRA
ADMINISTRATIVE CLERK**



DECLARATION OF MAILING

PUBLIC HEARING TO CONSIDER REALLOCATION OF AVAILABLE URBAN COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME PROGRAM FUNDING

On September 17, 2009, in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing a Notice of Public Hearing to consider reallocation of available Urban County Community Development Block Grant and HOME Program funding, attached hereto Marked Exhibit A. The mailing list for said matter is attached hereto, marked Exhibit B.


There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 17, 2009, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK, CITY OF LODI**


JENNIFER M. ROBISON, CMC
ASSISTANT CITY CLERK

MARIA BECERRA
ADMINISTRATIVE CLERK



CITY OF LODI

Carnegie Forum
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: October 7, 2009

Time: 7:00 p.m.

For information regarding this notice please contact:

Randi Johl

City Clerk

Telephone: (209) 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

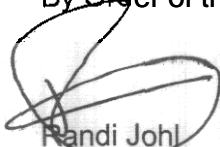
NOTICE IS HEREBY GIVEN that on Wednesday, October 7, 2009, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following item:

a) Reallocation of available Urban County Community Development Block Grant and HOME Program funding.

Information regarding this item may be obtained in the Community Development Department, 221 West Pine Street, Lodi, (209) 333-6711. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

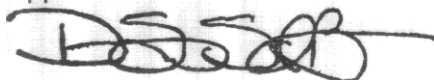
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:


Randi Johl
City Clerk

Dated: September 16, 2009

Approved as to form:



D. Stephen Schwabauer
City Attorney

Public Hearing – Stakeholders List



Vernell Hill & Sharon Simas, Service First of Northern California
102 W. Bianchi Road
Stockton, CA 95207

Tracy Williams, Executive Director/CEO, LOEL Foundation (Senior Center)
105 S. Washington Street
Lodi, CA 95240

Lt. Dan Williams
Lodi Salvation Army
PO Box 1388
Lodi, CA 95241